

Group Insurance Commission Public Hearing

March 1, 2006



**Commonwealth of Massachusetts
Group Insurance Commission**

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The GIC's Mission

Continue to offer comprehensive benefits to employees,
retirees and their dependents



Keep costs as low as possible



Health Care Quality Gap

Only 54.9% of Patients Get Highest Quality of Care

Quality Care Gap Varies by Medical Condition

- 75.7% - Breast Cancer
- 73.0% - Prenatal care
- 68.0% - Coronary artery disease
- 64.7% - Hypertension
- 57.3% - Osteoarthritis
- 53.5% - Asthma
- 45.4% - Diabetes mellitus
- 39.0% - Community-acquired pneumonia



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Double Digit Premium Increases Continue

- New technologies
- New drugs
- Direct to consumer advertising
- Increased consumer demand
- Lower reimbursements from government “safety net” programs
- Rising health care wages
- Aging population



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Health Care Premiums Continue to Escalate



Most health care premiums expected to increase by more than 10% this year

This is the sixth consecutive year of double digit increases



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Other Employers' Response



January 25, 2006

Friendly's Slashes Health Benefits

- Maximum annual benefit of \$1,000 or \$2,000 for outpatient care
- \$100 per day towards inpatient hospital care

The Boston Globe

September 14, 2005

Fewer Companies Offering Health Benefits as Costs Rise

33% of employers with 5,000 or more employees offer high deductible plans of at least \$1,000 single or \$2,000 family



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Other Employers' Response

(continued)

Employer Actions Drive Health Costs For Retirees Higher

December 30, 2004

More than half of large companies that offer retiree health care have capped what they will spend on their retirees' health benefits.



Employers Charging Smokers Extra for Health Insurance

February 17, 2006

The practice of smoker surcharges is a significant trend.



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The GIC's Approach

Decision to keep co-pay and deductible increases as low as possible; choice as wide as possible

Decision to give incentives to patients first, providers in the future


The GIC's Clinical Performance Improvement Initiative instituted to influence the delivery system:

- ☐ Variability in physician and hospital care
- ☐ Rising health care costs
- ☐ Quality issues

Over the Last Two Years We Began with Several Select & Save Plans

- Selective networks
- Tiered hospital networks
- Built a comprehensive database for all plans to use now and in future years





This Year's Programs Expanded to Include Physician Tiers

- Each plan put together its own benefit design consistent with the CPI Initiative
- Members retain access to all of the providers in our health plans' networks

These changes do not apply to any GIC Medicare plan or the Commonwealth Indemnity Plan (Basic)



Select & Save Benefit Changes

Commonwealth Indemnity Community Choice

Unicare, the medical benefits administrator of this plan, will be tiering all physicians. Members will pay lower co-pays if they seek care from more efficient and effective providers.



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Select & Save Benefit Changes

Commonwealth Indemnity Plan PLUS

Unicare, the medical benefits administrator of this plan, will be tiering all physicians. Members will pay lower co-pays if they seek care from more efficient and effective providers.





Select & Save Plans

Fallon Community Health Plan – Direct Care

The Fallon Community Health Plan – Direct Care is already a Select & Save Plan that uses a selective provider network.



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Select & Save Benefit Changes

Fallon Community Health Plan – Select Care

Fallon is establishing a two-tier Primary Care Physician (PCP) network for this plan.

Members who seek care from preferred tier PCPs (called Value Plus) will pay a lower co-pay than members seeking care from a non-preferred tier PCP (called Value).

Additionally, the tier of your PCP will affect co-payments for other services.



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Select & Save Benefit Changes

Harvard Pilgrim Health Care

This Point of Service (POS) plan will change to a Preferred Provider (PPO) plan, which does not require selection of a Primary Care Physician (PCP) or referrals to see a specialist.

The new plan, called the Harvard Pilgrim Independence Plan, will institute a two-tier network for five physician specialties. These specialists will be tiered based on the cost-effectiveness of their practices. Members seeing a preferred specialist will pay a lower co-pay than for non-preferred specialists and other specialists that are not subject to tiering.



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Select & Save Benefit Changes

Health New England

HNE will implement a three-tier Primary Care Physician (PCP) network. Family Practice/Internal Medicine and Pediatricians will be tiered based on the cost-effectiveness of their practice.



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Select & Save Benefit Changes

Navigator by Tufts Health Plan

Tufts Health Plan will institute a two-tiered network for surgical specialists. Members will pay a lower co-pay for using a surgical specialist whose primary affiliation is with a tier 1 hospital versus using a surgical specialist whose primary affiliation is with a tier 2 or tier 3 hospital and other specialists that are not subject to tiering.



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Select & Save Benefit Changes

Neighborhood Health Plan

NHP will offer two plans, their standard HMO and a Select & Save Plan called **NHP Community Care**. This plan has a selective network with primary care based at NHP's 49 Community Health Centers and 14 Harvard Vanguard Medical Associates sites.





Other Health Plan Benefit Changes

All Non-Medicare Health Plans

- Elimination of physician office visit co-pay cap of 15 calendar year visits

All Non-Medicare HMO Plans

- Elimination of mental health/substance abuse office visit co-pay cap of 15 calendar year visits



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Other Health Plan Benefit Changes

Commonwealth Indemnity Community Choice

- Early intervention services improved: \$5,200 per child per year up to \$15,600 lifetime maximum
- In-network skilled nursing home services improved: 80% coverage up to a maximum of 45 days

Commonwealth Indemnity Plan (Basic)

- Early intervention services improved: \$5,200 per child per year up to \$15,600 lifetime maximum
- In-network skilled nursing home services improved: 80% coverage up to a maximum of 45 days
- Outpatient surgery co-pay: \$75 per occurrence



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Other Health Plan Benefit Changes

Commonwealth Indemnity Plan PLUS

- Early intervention services improved: \$5,200 per child per year up to \$15,600 lifetime maximum
- In-network skilled nursing home services improved: 80% coverage up to a maximum of 45 days



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Other Health Plan Benefit Changes

Prescription Drug Benefits

*for Commonwealth Indemnity Community Choice,
Commonwealth Indemnity Basic, Commonwealth
Indemnity Medicare Extension (OME) and
Commonwealth Indemnity PLUS (Express Scripts):*

- Mail order 90-day supply co-pay: \$90
non-preferred brand name drug



Other Health Plan Benefit Changes

Mental Health – Substance Abuse Benefits

for Commonwealth Indemnity Community Choice, Commonwealth Indemnity Basic, Commonwealth Indemnity PLUS, and Navigator by Tufts Health Plan (United Behavioral Health):

- In-network outpatient care co-pay: \$15 for all visits
- Employee Assistance Program: No co-pay for first three visits; thereafter, use mental health benefit
- Medication management visit co-pay: \$10



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Other Health Plan Benefit Changes

Fallon Community Health Plan – Direct Care

- Outpatient surgery co-pay: \$75

Health New England

- Inpatient hospital care co-pay all network hospitals: \$200 per admission
- CT scans, MRIs, MRAs and PET scans co-pay all network facilities: \$50



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Other Health Plan Benefit Changes

Harvard Pilgrim Independence Plan

- Inpatient hospital care and outpatient surgery co-pay maximums: 4 per calendar year
- Prescription drug mail-order 90 day supply non-preferred brand drug co-pay: \$90
- In-network outpatient mental health/substance abuse care visit co-pay: \$15 all visits
- In-network mental health/substance abuse medication management visit co-pay: \$10
- Early intervention services enhanced: \$5,200 per child per year up to \$15,600 lifetime maximum
- In-network skilled nursing home services: 80% coverage up to a maximum of 45 days



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Other Health Plan Benefit Changes

Navigator by Tufts Health Plan

- Pediatric Hospital Inpatient Admission co-pay: \$200 tier 1, \$400 tier 2
- Inpatient hospital care and outpatient surgery co-pay maximums: 4 per calendar year
- Prescription drug retail 30-day supply/mail order 90-day supply co-pay tier 3 drugs (*no change in tier 1 or tier 2 co-pays*): \$40/\$90
- Early intervention services enhanced: \$5,200 per child per year up to \$15,600 lifetime maximum
- In-network skilled nursing home services: 80% coverage up to a maximum of 45 days



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Other Health Plan Benefit Changes

NHP Care (*formerly called Neighborhood Health Plan*)

- Physician office visit co-pay: \$20
- Emergency room visit co-pay: \$50
- Inpatient hospital care admission co-pay: \$300
- Outpatient surgery co-pay: \$100
- Prescription drug retail 30-day supply co-pay (*no change in generic co-pay*) brand/ non-preferred brand: \$25/\$45
- Prescription drug mail-order 90-day supply co-pay (*no change in generic co-pay*) brand/non-preferred brand: \$50/\$135



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Other Benefit Changes – Life Insurance

The GIC has selected The Hartford as its new life insurance carrier effective July 1, 2006. Other changes effective July 1, 2006:

- Life and Accidental Death and Dismemberment benefits will be enhanced to cover acts of war or terror benefits.
- Optional life insurance rates will decrease by an average of 7.7%.
- The GIC will eliminate the one-year waiting period to increase or enroll in optional life insurance coverage. Active state employees will now be able to apply for additional Optional Life and Accidental Death and Dismemberment benefits at any time with proof of good health.
- The UnumProvident LifeBalance® Program will be replaced by the Hartford's Beneficiary Assist Program, which provides counseling, legal, and financial assistance via telephone and in person after the death of a family member.



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Other Benefit Changes

- **Dental/Vision Plan** *for Managers, Legislators, legislative staff and certain Executive Office Staff:* No increase in monthly premiums in FY07.
- **Long Term Disability Plan:** No increase in monthly premiums in FY07.
- **Retiree Dental Plan:** No increase in monthly premiums in FY07.

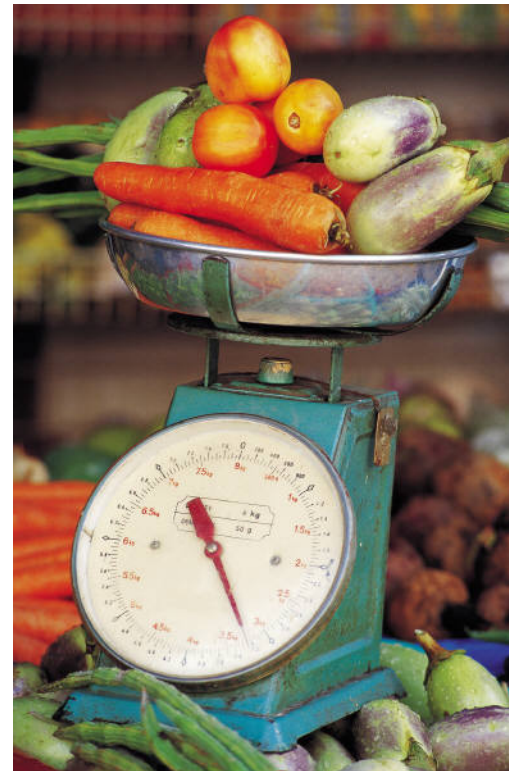


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Weigh Your Options

- Annual Enrollment gives you an opportunity to review your benefit selections and make changes if you desire.
- Wednesday, April 19 – Wednesday, May 17 for changes effective July 1, 2006



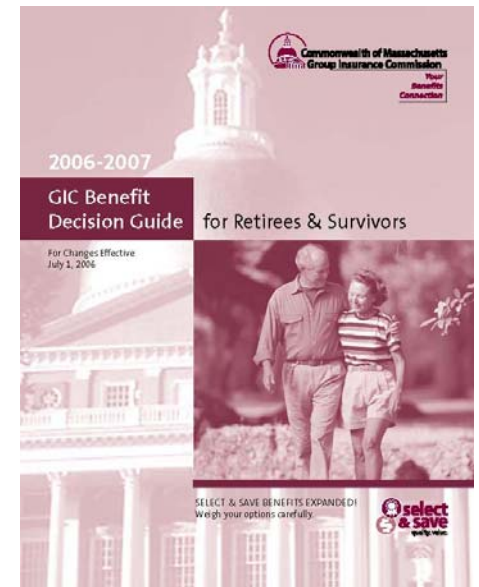
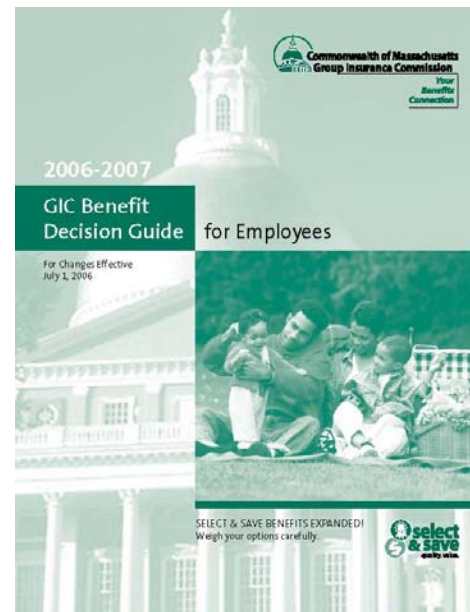
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Choosing a Health Plan

Read your *Benefit Decision Guide* and *For Your Benefit* newsletter – delivered to agencies (*employees*) and homes (*retirees/survivors*) the second week of April

See our website
www.mass.gov/gic





Choosing a Health Plan

- Contact your existing health plan to find out about their physician tiers and which tiers your doctors are in
- If one of your doctors is not in a preferred tier, consider whether you would like to switch physicians, pay a higher co-pay or consider another health plan – or, talk to your doctor
- Contact other health plans you may be interested in for information on their tiers

Attend a GIC Health Fair

- 19 Health Fairs
- 3 Saturday dates
- Schedule is on our website, and will be in the *Benefit Decision Guides* and *FYB* newsletter

2006 GIC HEALTH FAIR SCHEDULE





2006-2007
Annual Enrollment
APRIL 19 – MAY 17

For changes effective JULY 1, 2006

APRIL 2006	
20 THURSDAY	Wrentham Developmental Center Graves Auditorium Littlefield Street WRENTHAM, MA 11:00-3:00
21 FRIDAY	Mt. Wachusett Community College Commons Area, 444 Green Street GARDNER, MA 11:00-2:00
22 SATURDAY	Northshore Community College Health Professions and Science Building One Ferncroft Road DANVERS, MA 11:00-2:00
24 MONDAY	Massachusetts State Police Headquarters Gymnasium, 470 Worcester Rd. FRAMINGHAM, MA 11:00-2:00
25 TUESDAY	State House, Great Hall - 2nd Floor Beacon Street BOSTON, MA 11:00-3:00
26 WEDNESDAY	Middlesex Community College Campus Center - Building 8 Springs Road BEDFORD, MA 11:00-3:00
27 THURSDAY	Holyoke Community College Barley Center 303 Homestead Avenue HOLYOKE, MA 1:00-4:00
28 FRIDAY	Berkshire Community College Patterson Field House 1350 West Street PITTSFIELD, MA 11:00-2:00
29 SATURDAY	Mass Maritime Academy Baystate Conference Center - Cafeteria Academy Drive BUZZARDS BAY, MA 11:00-3:00

MAY 2006	
2 TUESDAY	Bristol Community College Margaret Jackson Art Center - H Building 777 Elsbree Street FALL RIVER, MA 11:00-3:00
3 WEDNESDAY	State Transportation Building Conference Rooms 1, 2 & 3 10 Park Plaza BOSTON, MA 11:00-3:00

4 THURSDAY 11:00-3:00
Quinnipiac Community College
Library/Learning Center - Room 109
670 West Boylston Street
WORCESTER, MA

5 FRIDAY 11:00-3:00
Fernald State School
Activity Center, 200 Trapelo Rd.
WALTHAM, MA

6 SATURDAY 11:00-3:00
State Lottery Commission
1st Floor Conference Room
60 Columbus Street
BRAINTREE, MA

8 MONDAY 11:00-3:00
Newbury State Hospital
Events Room, 385 East Street
TEWKSBURY, MA

10 WEDNESDAY 10:00-2:00
McCormack State Office Building
One Ashburton Place-21st Floor
BOSTON, MA

11 THURSDAY 9:00-1:00
U-Mass Amherst
Student Union Ballroom
AMHERST, MA

12 FRIDAY 10:00-2:00
Hampden County Sheriff's Department
Hampden County Correctional Center
627 Randall Road
LUDLOW, MA

15 MONDAY 11:00-3:00
Northern Essex Community College
Haverhill Campus, Technology Center TC 101A-B
Elliott Way
HAVERHILL, MA

Attend a health fair and see your **GIC Benefit Decision Guide** to find out about your options:

- Change your health plan
- Enroll in or change selections*:
 - GIC Dental/Vision for managers, legislators, legislative staff and certain Executive Office employees
 - Pre-tax premium deductions
- Apply for*:
 - Optional Life Insurance
 - Long Term Disability (LTD)
 - Buy-Out Plan

* See your GIC Benefit Decision Guide for eligibility and option details.

Return completed forms to your GIC Coordinator by **MAY 17, 2006**



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Make Your Decisions No Later Than Wednesday, May 17

- Active employees – give forms to your GIC Coordinator
- Retirees/Survivors – Send forms to the GIC and HMO *(if an HMO selected)*



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